

APPENDIX I

SOCIOECONOMIC IMPACT ANALYSIS

Socioeconomic Impact Analysis

of the

New Meadowlands Stadium Project

Presented to:

New Meadowlands Stadium Company, LLC

Presented by:



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Executive Summary

This Executive Summary presents the projected economic and fiscal impacts resulting from the construction and operation of the Stadium Project. Since the Stadium Project is a replacement project of the existing Giants Stadium and on-site training facilities, the summary includes the current impacts from the operation of the existing Giants Stadium and the training facilities as well as the impacts from the Stadium Project.

In addition to these redevelopment plans at the site, the Jets will be developing a new off-site Training Facility in Florham Park, New Jersey. Because the new Training Facility operations represent a draw upon Jets' revenues generated at the Stadium, this analysis also assesses socioeconomic impacts associated with the facility's development and operations to present a conservative, accurate portrait of benefits within the Stadium Project. The future Ancillary Development component of the Stadium Project was studied as a separate component of the Project.

The following are key conclusions related to the analysis of socioeconomic impacts from the Stadium Project in 2010 dollars:

CONSTRUCTION PHASE:

Construction Jobs – During construction of the new stadium and training facilities, construction expenditures and related direct, indirect and induced economic impacts will create 12,200 temporary full and part-time jobs.

Tax Revenue – During construction of the new stadium and training facilities, tax revenues to New Jersey from construction and associated direct, indirect and induced economic activities are estimated to be \$64.7 million.

Total Economic Activity – The construction of the new stadium and training facilities will generate approximately \$1.2 billion in direct, indirect and induced spending in New Jersey.

OPERATION PHASE:

Private Dollars Invested – The ownership families of the New York Giants and New York Jets are expected to invest over \$1.2 billion for the construction of the new Stadium and training facilities. In addition to a \$1.1 billion development cost for the stadium, the Giants' ownership families or their affiliates are planning to invest over \$70 million on the construction of new training facilities on the Sports

Executive Summary

Complex, and the Jets' owners are planning to invest over \$50 million on the construction of new training facilities to be located in Florham Park, New Jersey.

Permanent Jobs –The operation of the new stadium and training facilities and associated direct, indirect and induced economic impacts will support approximately 12,450 permanent full and part-time jobs. Approximately 6,910 full and part-time jobs currently exist by reason of the operation of Giants Stadium and the training facilities and associated economic impacts. Therefore, an increase in 5,540 new permanent full and part-time jobs will be realized from operation of the new stadium and training facilities and their associated economic impacts.

Tax Revenue – The operation of the new stadium and training facilities and associated direct, indirect and induced economic impacts are projected to generate approximately \$66.5 million in annual State tax revenues. Current operations of Giants Stadium and the training facilities generate approximately \$34.2 million each year. Therefore, an annual increase in approximately \$32.3 million in State tax revenues is expected from operation of the new stadium and training facilities.

Total Economic Activity –The operation of the new stadium and training facilities and associated direct, indirect and induced impacts will generate approximately \$938.2 million annually in total direct, indirect and induced spending in New Jersey. Current operations of Giants Stadium and the training facilities and associated economic impacts generate approximately \$526.7 million annually in spending. Therefore, an increase in approximately \$411.5 million in total direct, indirect and induced spending in New Jersey is expected from operation of the new stadium and training facilities and associated economic impacts.

I. Introduction

Conventions, Sports and Leisure International (“CSL”) was engaged by the New Meadowlands Stadium Company, LLC (“NM Stadco”) to provide a socioeconomic impact analysis regarding the projected economic and fiscal impacts resulting from the construction and operation of the New Meadowlands Stadium, New York Giants’ Training Facility and the New York Jets’ Training Facility (collectively, “Stadium Project”) and ancillary mixed-used real estate development (“Ancillary Development”) surrounding the Stadium Project components at the Meadowlands. This analysis is intended to assist NM Stadco and other project representatives in assessing the anticipated incremental impacts associated with the Stadium Project and Ancillary Development.

The study’s findings are presented in the following sections:

Executive Summary

- I. Introduction
- II. Existing Conditions
- III. Incremental Impacts – Stadium Project
- IV. Incremental Impacts – Ancillary Development
- V. Impact of Community Facilities
- VI. Sensitivity Analysis
- VII. Study Reference Sources

This report outlines the key findings of the socioeconomic impact analysis of the Stadium Project and Ancillary Development and is designed to assist project representatives in making informed decisions regarding future development.

The report should be read in its entirety to obtain the background, methods and assumptions underlying the findings.

II. Existing Conditions

Centrally located in the Hackensack Meadowlands District (“HMD”), the new Meadowlands Stadium Project (“Stadium Project”) will be located in the Meadowlands Sports Complex adjacent to the existing Giants Stadium, Continental Airlines Arena and the Meadowlands Racetrack. The HMD is located approximately five miles west of New York City in northern New Jersey, and comprises 30.4 square miles in portions of 14 municipalities in two counties: Carlstadt, East Rutherford, Little Ferry, Lyndhurst, Moonachie, North Arlington, Ridgefield, Rutherford, South Hackensack, and Teterboro in Bergen County and Jersey City, Kearny, North Bergen, and Secaucus in Hudson County. Overall, the HMD comprises 19,485 acres and approximately 43.0 percent of the combined landmass of Bergen and Hudson counties.

While the HMD comprises nearly 43.0 percent of the combined acreage of Bergen and Hudson Counties, the HMD accounts for approximately two percent of the combined populations of Bergen and Hudson counties. This reflects the HMD’s predominant land uses, consisting of undeveloped areas of wetlands and surface waters, commercial businesses, transportation corridors and other non-residential land uses. Of the 19,485 acres in the HMD, approximately 291 acres, or nearly one percent, is used for residential purposes.

The HMD is home to the Meadowlands Sports Complex, which consists of a 700-acre entertainment complex including Giants Stadium, Continental Airlines Arena and Meadowlands Racetrack and is home to several professional sports franchises including the New York Giants, New York Jets, New Jersey Devils and New Jersey Nets. The facilities are owned and operated by the New Jersey Sports and Exposition Authority (“NJSEA”). The NJSEA was created by the State of New Jersey to generate revenue from event activities and provide economic stimulus and increase tax revenues. According to the NJSEA, the Meadowlands Sports Complex attracts more than six million patrons (2.1 million from other states) annually.

The remainder of the existing conditions analysis focuses on the demographic and socioeconomic characteristics of the HMD, Bergen and Hudson counties and the State of New Jersey.

Population

According to the U.S. Census, the 2000 combined population of Hudson and Bergen counties was 1,493,093, representing approximately 18 percent of the State of New Jersey population of 8.4 million (see Table II-1 on the following page). Within the HMD, there were 10,635 residents in 2000, representing 2.4 percent of the total combined population of Bergen and Hudson counties and 0.1 percent of the total state population.

II. Existing Conditions

Table II-1 Hackensack Meadowlands District Population																		
Municipality	2000 Population	Hackensack Meadowlands District Population																
		2000	Percentage of County															
Bergen County:																		
Carlstadt	5,917	3	0.1%															
East Rutherford	8,716	118	1.4%															
Little Ferry	10,800	1,371	12.7%															
Lyndhurst	19,383	49	0.3%															
Moonachie	2,754	1,031	37.4%															
North Arlington	15,181	0	0.0%															
Ridgefield	10,830	1	0.0%															
East Rutherford	18,110	0	0.0%															
South Hackensack	2,249	0	0.0%															
Teterboro	54	36	66.7%															
Subtotal - HMD in Bergen County	93,994	2,609	2.8%															
Bergen County Total	884,118	2,609	0.3%															
Hudson County:																		
Jersey City	240,055	169	0.1%															
Kearny	40,513	2	0.0%															
North Bergen	58,092	0	0.0%															
Secaucus	15,931	7,855	49.3%															
Subtotal - HMD in Hudson County	354,591	8,026	2.3%															
Hudson County Total	608,975	8,026	1.3%															
TOTAL - HMD	448,585	10,635	2.4%															
TOTAL - BERGEN/HUDSON COUNTY	1,493,093	---	---															
TOTAL - NEW JERSEY	8,414,350	---	---															
<div><p>HMD Population</p><table><thead><tr><th>Year</th><th>Bergen County</th><th>Hudson County</th></tr></thead><tbody><tr><td>1980</td><td>2,687</td><td>8,607</td></tr><tr><td>1990</td><td>2,736</td><td>7,690</td></tr><tr><td>2000</td><td>2,609</td><td>8,026</td></tr><tr><td>2010*</td><td>2,571</td><td>9,342</td></tr></tbody></table><p>□ Bergen County ■ Hudson County</p></div>				Year	Bergen County	Hudson County	1980	2,687	8,607	1990	2,736	7,690	2000	2,609	8,026	2010*	2,571	9,342
Year	Bergen County	Hudson County																
1980	2,687	8,607																
1990	2,736	7,690																
2000	2,609	8,026																
2010*	2,571	9,342																

Source: New Jersey Meadowlands Commission Data Book

*Inferred using compounded annual growth rate (CAGR) 1980 to 2000

Approximately 75.0 percent of the HMD population resides in Hudson County with the remainder residing in Bergen County. Nearly three-quarters of the HMD population resides in the town of Secaucus in Hudson County which contains 19.0 percent of the total HMD acreage.

II. Existing Conditions

From 1980 to 2000, the HMD grew over 23.0 percent from 8,607 residents to 10,635 residents, with the majority of the growth concentrated in the town of Secaucus. In comparison, the combined population of Bergen and Hudson counties grew six percent between 1980 and 2000, growing from 1,402,357 residents in 1980 to 1,493,093 residents by 2000.

Based on information provided by the U.S. Census Bureau and ESRI, it is estimated that Bergen County had a 2005 population of 902,287, comprising 427,029 (48.3 percent) males and 466,482 (51.7 percent) females and is expected to grow at an annual rate of 0.38 percent. Hudson County had a 2005 population of 617,704, comprising 304,528 (49.3 percent) males and 313,176 (50.7 percent) females and is expected to grow at an annual rate of 0.3 percent. Bergen and Hudson Counties contain 10.0 percent of the State of New Jersey's population. The two counties annual growth rate is slightly lower than the state's annual growth rate of 0.82 percent.

The 2005 median age for Hudson County is 34.2 years, which is younger than that of Bergen County, 40.3 years, and the state of New Jersey, 38.0 years. In comparison, the median age for U.S. residents is 36.3. The median age for all four segments is expected to increase by 2010.

Approximately 75.0 percent of the residents in Bergen County are Caucasian as compared to 53.0 percent in neighboring Hudson County. Overall, the state of New Jersey is 70.1 percent Caucasian. Hispanics are the next largest ethnic group, accounting for 44.1 percent of the population in Hudson County as compared to 15.4 percent in New Jersey and 12.5 percent in Bergen County. Approximately 13.8 percent of New Jersey residents are African American as compared to 5.5 percent in Bergen County and 13.0 percent in Hudson County.

In terms of education, approximately 43.3 percent of Bergen County residents received an associate's degree or higher compared to 35.1 percent for New Jersey and 28.6 percent for Hudson County. Nearly 30.0 percent of Hudson County residents have not received a high school diploma, compared to 17.9 percent in New Jersey and 13.4 percent Bergen County.

Household Income

Based on information from the 2000 U.S. Census, the median household income in Bergen County was \$64,914, as compared to \$40,316 in Hudson County. In comparison, the median household income in the State of New Jersey was \$55,083 and the median U.S. household income was \$42,164 (see Table II-2 on the following page).

II. Existing Conditions

Table II-2 Income Characteristics				
	United States	State of New Jersey	Bergen County	Hudson County
MEDIAN HOUSEHOLD INCOME:				
1990	\$29,943	\$40,927	\$49,249	\$30,917
2000	\$42,164	\$55,083	\$64,914	\$40,316
2005	\$49,747	\$63,135	\$76,516	\$45,460
2010	\$58,384	\$72,157	\$88,912	\$51,443
Historical Growth:				
1990 to 2005 - Percent Change	39.81%	35.18%	35.64%	31.99%
1990 to 2005 - CAGR	3.62%	3.08%	3.13%	2.74%
Projected Growth:				
2005 to 2010 - Percent Change	14.79%	12.50%	13.94%	11.63%
2005 to 2010 - CAGR	3.25%	2.71%	3.05%	2.50%
AVERAGE HOUSEHOLD INCOME:				
1990	\$38,453	\$51,241	\$63,929	\$37,898
2000	\$56,644	\$73,260	\$89,164	\$55,041
2005	\$68,694	\$87,573	\$109,401	\$64,732
2010	\$84,334	\$104,601	\$134,800	\$76,427
Historical Growth:				
1990 to 2005 - Percent Change	44.02%	41.49%	41.56%	41.45%
1990 to 2005 - CAGR	4.15%	3.82%	3.83%	3.82%
Projected Growth:				
2005 to 2010 - Percent Change	18.55%	16.28%	18.84%	15.30%
2005 to 2010 - CAGR	4.19%	3.62%	4.26%	3.38%
PER CAPITA INCOME				
1990	\$14,386	\$18,714	\$24,088	\$14,480
2000	\$21,587	\$27,006	\$33,638	\$21,154
2005	\$26,228	\$32,385	\$41,301	\$24,650
2010	\$32,206	\$38,751	\$50,931	\$29,072
Historical Growth:				
1990 to 2005 - Percent Change	45.15%	42.21%	41.68%	41.26%
1990 to 2005 - CAGR	4.29%	3.91%	3.85%	3.79%
Projected Growth:				
2005 to 2010 - Percent Change	18.56%	16.43%	18.91%	15.21%
2005 to 2010 - CAGR	4.19%	3.65%	4.28%	3.36%
Source: ESRI				
CAGR: Compounded Annual Growth Rate				

The 2005 median household income for Bergen County increased 15.0 percent from \$64,914 in 2000 to \$76,516 and is expected to grow at a compounded annual rate of 3.1 percent over the next five years. Similarly, per capita income for Bergen County over the same period rose 19.0 percent from \$33,368 to \$41,301. The per capita income of Bergen County is nearly 40.0 percent higher than neighboring Hudson County, \$40,460. In 2005, Hudson County's median household income rose 11.0 percent to \$40,316. Over the same period, per capita income increased 14.0 percent from \$21,154 in 2000 to \$24,650 in 2005. It is expected to grow at an annual rate of 3.36 percent from 2005 to 2010. Hudson County's per capita income is 24.0 percent less than the total State of New Jersey, \$63,135 and 19 percent less than the U.S. average of \$49,747.

II. Existing Conditions

Approximately 36.6 percent of Bergen County households have a median household income over \$100,000, compared to 28.1 percent of New Jersey residents and 17.9 percent of Hudson County residents. Nearly 39.0 percent of Hudson County residents have a median household income of less than \$35,000, compared to 26.6 percent of New Jersey residents and 20.4 percent from Bergen County.

The effective buying median household income (EBI) for Bergen County is \$55,758 as compared to \$37,450 in Hudson County and \$43,978 in the State of New Jersey.

Corporate Base

Within the State of New Jersey, there are 382,579 corporate headquarters or branch locations. Nearly 19.0 percent, or 71,795 companies, are located in Bergen or Hudson counties with the majority located in Bergen County (see Table II-3 below). The majority of the companies are in the services industry with 44.0 percent for the State of New Jersey, 44.0 percent of Bergen County and 41.0 percent of Hudson County. The services industry also employs 41.0 percent of the employment by sector.

Table II-3 Corporate Base				
NUMBER OF COMPANIES	State of New Jersey	Bergen County	Hudson County	Combined Bergen/Hudson
Unknown	69,515	8,607	3,898	12,505
Under \$1.0 MM	276,368	37,121	14,763	51,884
\$1.0 MM to \$4.9 MM	27,582	4,073	1,331	5,404
\$5.0 MM to \$9.9 MM	4,281	681	227	908
\$10.0 MM to \$24.9 MM	2,857	449	183	632
\$25.0 MM and greater	1,976	333	129	462
Total Corporations	382,579	51,264	20,531	71,795
CORPORATIONS BY INDUSTRY	State of New Jersey	Bergen County	Hudson County	Combined Bergen/Hudson
Services	43.7%	44.1%	40.7%	43.1%
Retail Trade	18.0%	16.2%	23.6%	18.3%
Construction	9.5%	8.2%	5.5%	7.5%
Finance, Insurance, and Real Estate	7.1%	7.6%	7.3%	7.5%
Wholesale Trade	5.7%	7.9%	6.0%	7.4%
Manufacturing	4.9%	5.6%	4.5%	5.3%
Transportation and Public Utilities	4.4%	4.2%	7.7%	5.2%
Nonclassified Establishments	2.9%	3.2%	3.3%	3.2%
Agriculture, Forestry, and Fishing	2.3%	5.7%	0.4%	1.4%
Public Administration	1.3%	1.2%	1.1%	1.2%
Mining	0.0%	0.0%	0.0%	0.0%
Total Corporations	382,579	51,264	20,531	71,795

Source: Dunn & Bradstreet 2005

II. Existing Conditions

As demonstrated in Table II-3, 19.0 percent of companies in New Jersey are from Bergen and Hudson County. Approximately 88.0 percent of the 59,290 company's with reported sales in Bergen and Hudson County state annual sales of less than a \$1 Million. Additionally, 1,094 or 2.0 percent of companies within Bergen and Hudson County report sales of \$10 million and above.

According to Dunn & Bradstreet, of the 382,579 companies in the State of New Jersey, 43.7 percent are in the services industry. The services industry in Bergen and Hudson County comprise 44.1 percent and 40.7 percent, respectively, of the total companies by industry. The second largest industry is retail trade, which comprises 18.0 percent of the companies in the State of New Jersey and 18.3 percent for the combined Bergen and Hudson County. Other key industries include construction, finance, insurance, real estate and wholesale trade.

Employment

Employment within the HMD was approximately 80,057 in 2001 with 51.0 percent of the employees working in Bergen County. Employment in the HMD increased 10.0 percent from 72,308 in 1991. The industries employing the most employees include the manufacturing sector (27.0 percent), wholesale trade (17.0 percent) and transportation and warehousing (12.0 percent).

Table II-4			
2001 Meadowlands District Employment			
Employment	Hackensack Meadowlands District		
	Bergen County	Hudson County	HMD Total
Manufacturing	16,083	5,736	21,819
Wholesale Trade	5,876	8,091	13,967
Transportation and Warehousing	2,621	6,971	9,592
Retail Trade	1,213	5,642	6,855
Professional, Scientific, & Tech. Services	2,047	2,190	4,237
Information	1,130	2,707	3,837
Health Care & Social Assistance	2,943	509	3,452
Accommodation & Food Services	1,673	1,415	3,088
Admin. Support/Waste Mgmt./Remediation Serv.	1,751	1,043	2,794
Finance and Insurance	1,237	1,489	2,726
Construction	1,239	1,062	2,301
Arts, Entertainment, & Recreation	1,634	173	1,807
Real Estate, Renting, Leasing	561	633	1,194
Other Services (except public admin.)	578	440	1,018
Public Administration	167	396	563
Educational Services	386	130	519
Utilities	32	198	230
Management of Companies & Enterprises	2	40	42
Agriculture, Forestry, Fishing & Hunting	15	0	15
Mining	0	4	4
Total	41,188	38,869	80,060
New Jersey Meadowlands Commission Data Book, 2002			

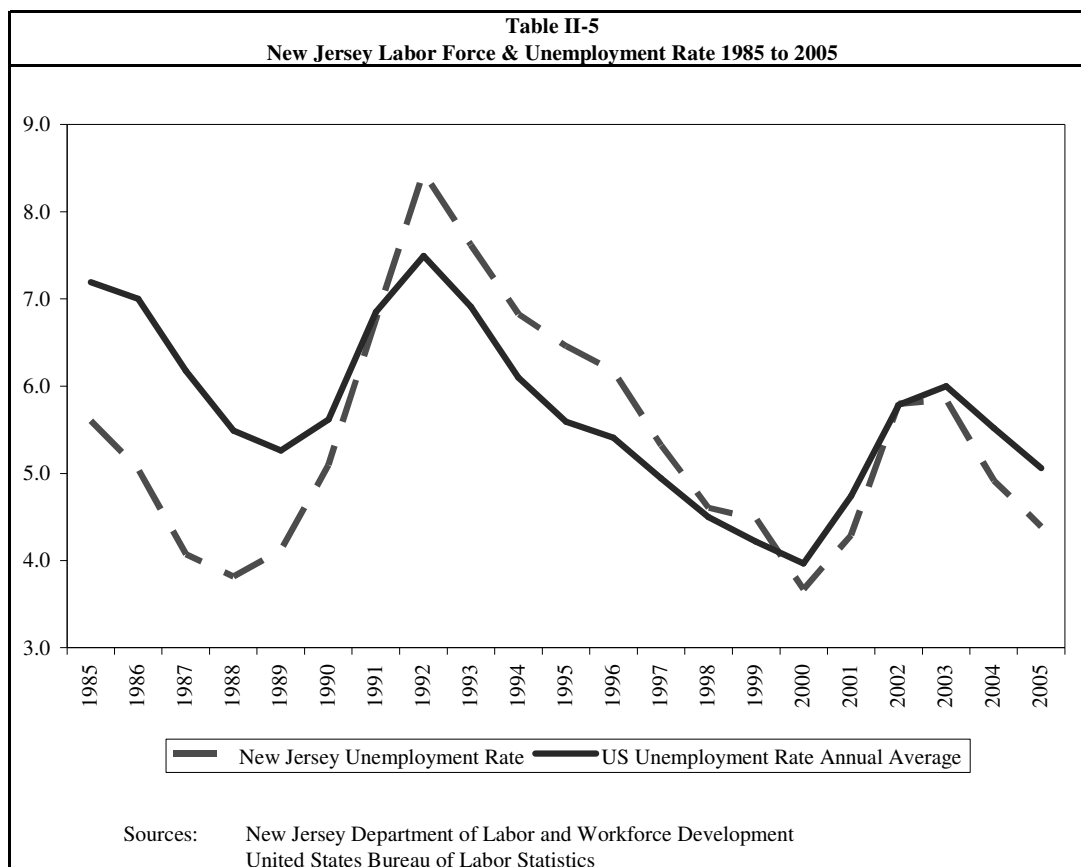
II. Existing Conditions

The services sector was projected to increase by 6.7 percent from 2000 to 2005, while the financial, insurance, and real estate sectors are expected to increase by 3.0 percent. According to the Meadowlands District Commission, 74.0 percent of the manufacturing jobs in the HMD were located in Bergen County, while 72.7 percent of transportation and warehousing jobs and 82.3 percent of retail trade jobs were located in Hudson County.

Honeywell International Inc. employs 5,350 people in the boundaries of the HMD, making it the largest employer in the HMD. Other large employers within the HMD include the United States Postal Service (3,500 employees), Matsushita Electric Corp America (3,405 employees), Quest Diagnostics (2,800 employees), Lucky Brand Dungarees Stores (2,000 employees), Howmedica Osteonics Corp. (1,600 employees) and LCI Holdings Inc. (1,000 employees) (New Jersey Meadowlands Data Book, 2002, p.5).

The NJSEA is also one of the largest employers, employing 1,000 people within the HMD alone (New Jersey Meadowlands Data Book, 2002, p.5).

The unemployment rate for New Jersey has varied from a low of 3.7 percent in 2000 to a high of 8.5 percent in 1992. During the same period, the U.S. unemployment rate was at 4.0 percent and 7.5 percent, respectively. Except for the years 2001 and 2002, the unemployment rate has steadily declined since 1992.



II. Existing Conditions

The New Jersey unemployment rate has fluctuated with the national average. Since 1985, the spread between the two rates has steadily decreased. From 1985 to 1995, the two rates differed by an average of 1.1 percent. The spread decreased to 0.38 percent from 1996 to 2005.

According to ESRI, the unemployed population in the labor force (16 years and older) is expected to decrease for the State of New Jersey and Hudson County from 2000 to 2010 and increase for Bergen County. The unemployed labor population in Bergen County was 4.0 percent in 2000 and is expected to be 4.4 percent in 2010. Table II-6 below summarizes the labor force employment status for the United States, the State of New Jersey, and Bergen and Hudson counties for the years 2000, 2005, and 2010.

Table II-6				
Employment Status				
	<u>United States</u>	<u>State of New Jersey</u>	<u>Bergen County</u>	<u>Hudson County</u>
2000				
Employed	93.4%	93.9%	96.0%	91.3%
Unemployed	6.6%	6.1%	4.0%	8.7%
2005				
Employed	93.1%	63.9%	95.4%	92.2%
Unemployed	6.9%	6.1%	4.6%	7.8%
2010				
Employed	93.9%	94.2%	95.6%	92.6%
Unemployed	6.1%	5.8%	4.4%	7.4%
Source: ESRI				

The unemployed labor force for Hudson County in 2000 was 7.8 percent and is expected to decrease to 7.4 percent in 2010. The U.S. and New Jersey unemployed labor force is also expected to decrease over the same period to 6.1 percent and 4.4 percent.

Employment by industry segmentation is relatively consistent among New Jersey, and Bergen and Hudson counties. The services industry comprises the highest percentage, with 41.3 percent, 40.0 percent, and 37.4 percent of the State of New Jersey, Bergen County and Hudson County total employment, respectively.

II. Existing Conditions

Table II-7 Employees by Industry				
	State of New Jersey	Bergen County	Hudson County	Combined Bergen/Hudson
Services	1,448,663	172,492	70,690	243,182
Retail Trade	533,186	65,550	28,620	94,170
Manufacturing	400,035	57,606	15,403	73,009
Public Administration	255,264	16,025	9,178	25,203
Finance, Insurance, and Real Estate	229,637	27,362	21,686	49,048
Transportation and Public Utilities	228,741	31,256	25,406	56,662
Wholesale Trade	209,409	39,412	13,162	52,574
Construction	168,636	17,464	4,405	21,869
Agriculture, Forestry, and Fishing	34,935	3,429	307	3,736
Mining	1,712	83	16	99
Nonclassified Establishments	1,193	189	51	240
Total Employees	3,511,411	430,868	188,924	619,792

Source: Dunn & Bradstreet 2005

The retail trade industry employs the second most with 533,186, or 15.2 percent, of the total jobs in New Jersey. The combined Bergen and Hudson counties wholesale trade industry comprises of approximately 25.1 percent of total employment in the State. The combined counties transportation and public utilities industry employs a quarter of the state's employees in the industry.

Bergen County has a higher percentage of white collar workers (72.4 percent) as compared to New Jersey (65.4 percent) and Hudson County (60.6%). Hudson County has the highest percentage of blue collar workers at 22.6 percent with the majority of those classified as transportation/material moving.

According to the New Jersey Council of Economic Advisors, New Jersey experienced an increase of approximately 76,000 jobs which ranked sixth in the United States for job gains. The Northeast region in general was second to the Sun-Belt states in terms of job gains. New Jersey ranked tenth in private sector job gains with 58,800 new jobs added during 2004.

In the State of New Jersey, the strongest percentage increases occurred in construction (5.2 percent), leisure (3.9 percent) and financial services (3.4%). The largest job related increases by volume occurred in government (17,100), education and health services (15,200), leisure and hospitality (12,500), professional services (10,400), and finance (9,600).

II. Existing Conditions

Housing

According the Meadowlands Commission Data Book, the HMD contained 4,649 housing units in 2000, representing an increase of 21.3 percent from 1980 to 2000. Housing units in the town of Secaucus increased by 21.0 percent over the same period. Secaucus also represents 77.0 percent of the HMD's total housing units. In total, Bergen and Hudson counties contained 174,498 housing units in 2000, comprising 30.0 percent of the combined Bergen and Hudson County.

Table II-8 HMD Housing Units			
	<u>HMD Units in Bergen County</u>	<u>HMD Units in Hudson County</u>	<u>HMD Total Units</u>
1980	999	2,833	3,832
1990	1,136	3,746	4,882
2000	1,050	3,599	4,649
% Vacant (2000)	4.1%	3.2%	3.4%
Source: New Jersey Meadowlands Commission, 2002 Data Book			

It should be noted that there are currently no housing units on the Meadowlands Sports Complex site. With 19,485 total acres within the HMD, there are 0.24 housing units per HMD acre. Table II-9 depicts the median home values in Bergen County, Hudson County and the State of New Jersey.

Table II-9 Owner Occupied Housing Units			
<i>Housing Units by Value (2000):</i>			
	<u>State of New Jersey</u>	<u>Bergen County</u>	<u>Hudson County</u>
Less than \$50,000	3.0%	1.3%	2.4%
\$100,000 - \$149,999	23.7%	6.5%	26.5%
\$150,000 - \$199,999	22.3%	23.1%	30.7%
\$300,000 - \$499,999	11.7%	22.1%	5.7%
\$500,000 - \$999,999	3.7%	8.5%	1.5%
\$1,000,000 & Above	0.7%	1.6%	0.3%
<i>Median Owner Occupied Housing Unit Value:</i>			
	<u>State of New Jersey</u>	<u>Bergen County</u>	<u>Hudson County</u>
2000	\$167,899	\$240,755	\$162,752
2005	\$312,739	\$455,059	\$311,602
2010	\$439,481	\$669,042	\$444,348
Source: ESRI			

II. Existing Conditions

As depicted above, Bergen County has a significantly higher median home value than that of Hudson County and New Jersey. Bergen County's 2005 median home value (\$455,059) is nearly 50.0 percent higher than that of both nearby Hudson County (\$311,602) and New Jersey (\$312,739). The annual median home value growth rate for Bergen County (9.4 percent) is also projected to be higher than Hudson County (8.5 percent) and New Jersey (8.1 percent).

Consumer Spending

Table II-10 on the following page depicts the 2005 consumer spending on an assortment of goods and services by households located in New Jersey, Bergen County and Hudson County. The spending potential index shows the amount spent in the area relative to a national average of 100. For 2005, the spending potential index of Bergen County and New Jersey residents was typically higher than the national average while the potential spending index for Hudson County residents was slightly less than the national average.

According to ESRI, a Bergen County household typically spends more on goods and services than the State of New Jersey and Hudson County average household. New Jersey households spend more money, \$95.8 billion, on retail goods than any other spending category. Bergen County households spend an average of \$36,628 annually on retail goods compared to \$29,887 for New Jersey households and \$21,967 for Hudson County households. After retail goods, New Jersey households spend approximately \$60.8 billion on shelter. Bergen County households spend an average of \$24,270 on shelter which is 21.9 percent greater than New Jersey households and 39.2 percent higher than Hudson County.

Bergen County households spend an average of approximately \$5,145 on entertainment and recreation. This is approximately 20.4 percent higher than New Jersey households as a whole and approximately 43.1 percent higher than nearby Hudson County.

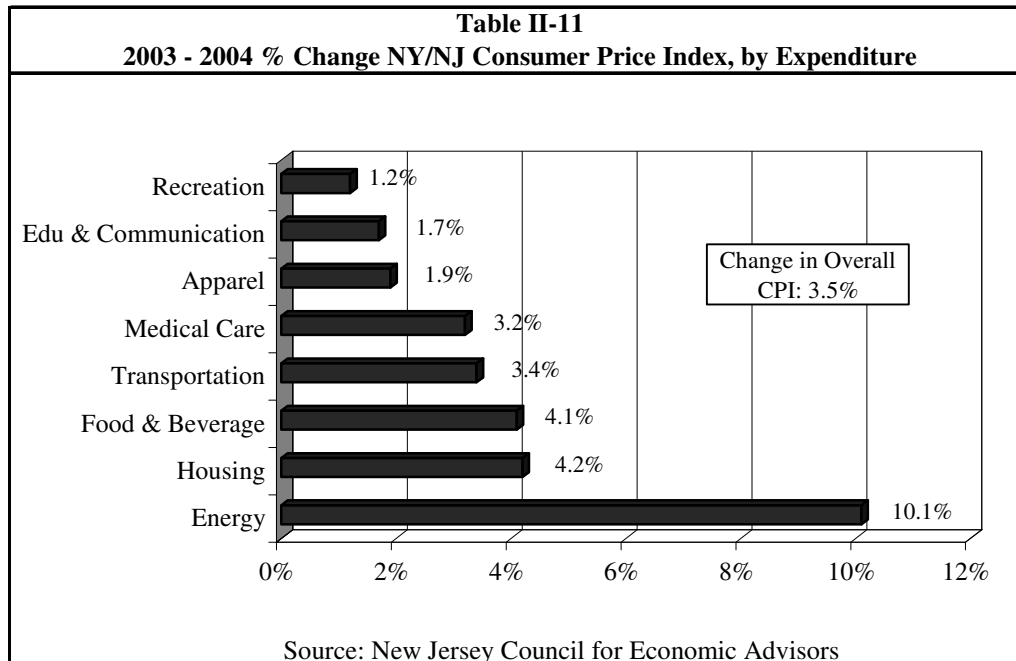
II. Existing Conditions

Table II-10 Consumer Spending By Average Spent* (2005)			
	State of New Jersey	Bergen County	Hudson County
Apparel & Services: Total \$	\$8,201,258,988	\$1,087,306,606	\$470,640,635
Average Spent	\$2,557	\$3,207	\$2,021
Spending Potential Index	97	122	77
Computers & Accessories: Total \$	\$1,044,632,957	\$137,627,914	\$56,674,076
Average Spent	\$326	\$406	\$243
Spending Potential Index	131	163	98
Education: Total \$	\$4,704,321,260	\$634,632,614	\$253,385,114
Average Spent	\$1,467	\$1,872	\$1,088
Spending Potential Index	134	171	100
Entertainment/Recreation: Total \$	\$13,127,647,165	\$1,744,093,247	\$682,451,626
Average Spent	\$4,093	\$5,145	\$2,930
Spending Potential Index	128	161	92
Food at Home: Total \$	\$19,328,611,344	\$2,512,928,691	\$1,122,992,255
Average Spent	\$6,026	\$7,413	\$4,821
Spending Potential Index	127	156	101
Food Away from Home: Total \$	\$13,355,643,518	\$1,747,349,859	\$764,313,693
Average Spent	\$4,164	\$5,154	\$3,281
Spending Potential Index	129	160	102
Health Care: Total \$	\$13,746,171,324	\$1,775,710,203	\$681,681,172
Average Spent	\$4,286	\$5,238	\$2,927
Spending Potential Index	121	147	82
HH Furnishings & Equipment: Total \$	\$7,785,539,052	\$1,036,981,550	\$397,108,457
Average Spent	\$2,427	\$3,059	\$1,705
Spending Potential Index	114	144	80
Investments: Total \$	\$23,689,878,346	\$3,503,086,429	\$1,099,836,267
Average Spent	\$7,386	\$10,334	\$4,722
Spending Potential Index	164	229	105
Travel: Total \$	\$7,465,657,713	\$1,016,942,258	\$378,931,591
Average Spent	\$2,328	\$3,000	\$1,627
Spending Potential Index	135	174	94
TV/Video/Sound Equipment: Total \$	\$4,274,683,749	\$554,866,213	\$239,905,906
Average Spent	\$1,333	\$1,637	\$1,030
Spending Potential Index	126	155	98
Vehicle Maintenance & Repairs: Total \$	\$4,207,679,949	\$546,171,765	\$229,150,614
Average Spent	\$1,312	\$1,611	\$984
Spending Potential Index	127	156	95
Retail Goods: Total \$	\$95,799,271,020	\$12,416,737,716	\$5,116,572,276
Average Spent	\$29,867	\$36,628	\$21,967
Spending Potential Index	119	145	87
Shelter: Total \$	\$60,775,824,112	\$8,227,626,404	\$3,435,865,151
Average Spent	\$18,948	\$24,270	\$14,751
Spending Potential Index	137	176	107
Total Consumer Spending	\$277,506,820,497	\$36,942,061,469	\$14,929,508,833
Total Average Spent	\$86,517	\$108,974	\$64,097
Average Spending Index	128	161	94
Source: ESRI			
*Expenditures are shown in non-mutually exclusive broad budget categories.			

II. Existing Conditions

Cost of Living

The cost of living in the New York/New Jersey metropolitan area is well above the national average. Specifically, the cost of living index for the New York City/New Jersey metropolitan area is 211.4 compared to a national average of 100. Table II-11 illustrates the percent change by expenditure in the cost of living for the New York/New Jersey metropolitan area.



The overall CPI change from 2003 to 2004 was 3.5 percent as compared to 3.1 percent from the year before. Energy prices had the largest consumer price increase (10.1 percent) in 2004 compared to the next highest, housing (4.2 percent).

Economy

The New Jersey economy typically follows the national economic trends. Since the national economy has rebounded from a slowdown of 2000 and 2001, New Jersey's economy has been one of the best performers as the U.S. continued to prosper after several years of a weak economy. Employment in New Jersey increased by 75,900 jobs, or by 1.9%, from December 2003 through December 2004 in comparison to a 0.6% increase in 2003 and declines of -0.4% and -0.8% in 2001 and 2002. Table II-12 below depicts the State's economic forecast and review for key economic indicators from 2001 to 2006.

II. Existing Conditions

Table II-12						
New Jersey Economic Forecast and Review						
	2001	2002	2003	2004	2005	2006
Gross State Product (Current \$, bill)	\$362.9	\$380.2	\$397.5	\$416.6	\$435.7	\$454.5
Personal Income (Current \$, bill)	\$332.7	\$337.9	\$345.6	\$363.5	\$380.6	\$393.9
Retail Sales (Current \$, bill)	\$105.0	\$106.7	\$109.4	\$114.3	\$119.0	\$122.8
Consumer Price Index (All Urban 1982-1984=100)	187.1	191.9	197.8	204.8	211.4	217.2
Total Non-Ag Employment (000)	3,997	3,984	3,980	4,040	4,096	4,142
Year Over Year Percentage Change						
Gross State Product (Current \$, bill)		4.8%	4.6%	4.8%	4.6%	1.6%
Personal Income (Current \$, bill)		1.5%	2.3%	5.2%	4.7%	3.5%
Retail Sales (Current \$, bill)		1.6%	2.5%	4.5%	4.1%	3.2%
Consumer Price Index (All Urban 1982-1984=100)		2.6%	3.1%	3.5%	3.2%	2.7%
Total Non-Ag Employment (000)		-0.3%	-0.1%	1.5%	1.4%	1.1%
Source: New Jersey Council of Economic Advisors						

The gross state product for the State of New Jersey was \$435.7 billion and is expected to increase 4.3 percent to \$454.5 billion in 2006. According to the New Jersey Council of Economic Advisors, the New Jersey economy is expected to continue to grow at a moderate pace during 2005 and 2006. While the economy is expected to grow at a moderate pace during 2006, the percent changes are projected to decrease.

The Council also advises that despite gains in employment and income, consumer spending will be controlled due to high levels of consumer debt, higher energy costs, and the end of federal income tax cuts.

After several years of rapid growth, the New Jersey Council of Economic Advisors predicts that the residential construction and existing home market will slow down due to increased interest rates and restrictions on building sites will reduce both the demand and supply.

Community Facilities

The Meadowlands District was created as an amalgam of the "meadow" portions of 14 municipalities in Bergen and Hudson Counties. The residential communities and town centers of these municipalities were not included in the District lands, and therefore community facilities are generally found outside of the NJMC, with the exception of residential and community facilities constructed after the establishment of the District.

Community facilities include public or publicly-funded facilities, such as police and fire protection, hospitals, emergency medical response, and schools. The following describes

II. Existing Conditions

the various community facilities that are located within the Borough of East Rutherford where the Project Area is located, and specifically those associated with the Meadowlands Sports Complex. As appropriate, facilities and services outside of East Rutherford but within the County and/or the HMD that may serve larger portions of the County or HMD are also discussed. Within and around the HMD community facilities are often located at the peripheral boundaries of the HMD. This is due to the relatively small residential populations that are located within the HMD and because of the need to adequately service the resident populations.

Police Protection

The Bergen County Police Department, which is comprised of 80 officers, provides police coverage for Bergen County residents. The Department is located at 66 Zabriskie Street in Hackensack, approximately 5 miles north of the Project Area. The Department patrols all of Bergen County roadways and properties and provides support services for municipal police departments (NJSEA, 2005).

The East Rutherford Police Department (ERPD) provides coverage within the Borough of East Rutherford. Their headquarters is located at 312 Grove Street. With a force of 34 members, the Department serves a resident population of approximately 18,000 and a daytime population of approximately 25,000 while patrolling 40 miles of roads and portions of two state highways.

The primary responsibility for providing police services on the Meadowlands Sports Complex, including the Project Area, currently belongs to the New Jersey State Police (NJSP) Sports Complex Unit. Police from East Rutherford are summoned on occasion for assistance. The Unit operates out of three substations within the Sports Complex. The Unit maintains a close liaison with NJSP Troop B and Troop D in the coordination of traffic in and around the Sports Complex. Additionally the Unit is responsible for the investigation of criminal activity at the Sports Complex (NJSEA, 2005).

Fire Protection

The East Rutherford Fire Department currently has over 80 volunteer Fire and Emergency Management Service professionals that serve the community from three stations located at 312 Grove Street, 50 Herman Street and 107 Carlton Avenue. The service area includes all of East Rutherford as well as several southern Bergen County municipalities. East Rutherford is also within the service area of other southern Bergen County municipalities. The closest East Rutherford fire station is approximately three miles from the complex (NJSEA, 2005).

II. Existing Conditions

The NJSEA Fire Department provides first response fire protection at the Meadowlands Sports Complex. The Department operates one station, which is situated just west of the intersection of Route 120 and Paterson Plank Road. The station has two pump trucks with 750-gallon water capacity, one truck with 500-gallon capacity and one truck with 90-gallon capacity. The trucks also have foam capacity. The station has eight full-time and nine part-time fire fighters and operates on a 24 hours per day, seven days per week basis with a two-person crew per shift that is expanded during events at the Sports Complex (NJSEA, 2005). The surrounding municipal fire departments, including the East Rutherford Fire Department, are also available to assist the NJSEA Fire Department, as necessary.

Hospitals and Emergency Medical Services

Four hospital facilities are located in or adjacent to the HMD. Two of these are located in Secaucus approximately eight miles southeast of the Project Area. These hospitals include the Meadowlands Hospital and Medical Center (230-bed facility), which is located on Meadowlands Parkway, and the Meadowview County Hospital (400-bed facility), which is located on County Avenue. The Hackensack University Medical Center is a 614-bed facility located on Prospect Avenue in Hackensack. The West Hudson Hospital is a 250-bed facility and it is located on Bergen Avenue in Kearny, just outside of the HMD.

The East Rutherford Volunteer Ambulance Corps building is located at 312 Grove Street. Typically a three-person crew will work 12-hour shifts. The primary emergency hospital used by the Ambulance Corps is the Hackensack University Medical Center. This Center serves as the Acute Care Medical Center for the area and it is located approximately four miles north of the Ambulance Corps building.

The NJSEA provides first response emergency medical service (EMS) for emergencies on the Meadowlands Sports Complex. The EMS facility is located on the Sports Complex and includes four ambulances, three carts and two scooters. The facility is staffed by licensed nurses and operates from 5:30AM to 12:30AM on a daily basis and during events. A doctor is also present at the EMS facility during events.

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Schools

Within the Borough of East Rutherford there are two public schools in general proximity to the Project Area: the Henry P. Becton Regional High School (grades 9-12), located off of N.J. Route 17, which is part of the Carlstadt-East Rutherford Regional School District, and Lincoln Elementary School (grades K-4) which is located on Washington Street.

Economic and Fiscal Impact Estimates from Current Operations of Giants Stadium and Training Facilities

Existing economic and fiscal impacts related to the current operation of Giants Stadium and on-site training facilities were estimated by CSL based on the historical operations of Giants Stadium and the New York Giants and New York Jets football clubs, as well as discussions with teams and the NJSEA, industry trends and averages, and CSL's knowledge of the sports, entertainment and leisure industries. Since the Stadium Project is a replacement project for the stadium and on-site training facilities, the impacts from current operations are needed to understand the incremental impacts from the Stadium Project.

The analysis utilizes the IMPLAN economic model and assesses the impacts to the State of New Jersey. IMPLAN, an acronym for Impact Analyses and Planning, was originally developed by the U.S. Forest Service in cooperation with the Federal Emergency Management Agency and the U.S. Department of Interior to assist in land and resource planning management. The IMPLAN model is based on input-output accounting and describes commodity flows from producers to intermediate and final consumers. The total industry purchases of commodities, services, employment compensation, value added, and imports are equal to the value of the commodities produced.

Purchases for final use (final demand) drive the model. Industries produce goods and services for final demand and purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stop the cycle.

These indirect and induced effects (the effects of household spending) can be mathematically derived. The derivation is called the Leontief inverse. The resulting sets of multipliers describe the change of output for each and every regional industry caused by one dollar change in final demand for any given industry.

The economic data for IMPLAN comes from the system of national accounts for the United States based on data collected by the U.S. Department of Commerce, the U.S.

II. Existing Conditions

Bureau of Labor Statistics, and other federal and state government agencies. Data are collected for 528 distinct producing industry sectors of the national economy corresponding to the Standard Industrial Categories (“SICs”).

For purposes of this analysis, economic impacts are typically conveyed through measures of direct spending, total output, personal earnings and employment. Each of the measures of economic impact is defined below:

- **Direct spending** represents stadium and team spending generated from operations including *in-facility* expenditures on tickets, concessions, merchandise, parking and advertising; and *out-of-facility* spending on hotels, food and beverages, retail, transportation, entertainment and other expenditures as well as team-related sources such as national television revenues, sponsorships, and other such sources. During construction, direct spending represents spending on materials, labor and other related spending.
- **Total output** represents the total direct, indirect and induced spending effects generated by Giants Stadium, the New York Giants and the New York Jets.
 - **Indirect effects** consist of the re-spending of the initial or direct expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed *leakage* and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:
 - wholesale industry as purchases of food and merchandise products are made;
 - transportation industry as the products are shipped from purchaser to buyer;
 - manufacturing industry as products used to service the stadium, sports franchise(s), vendors and others are produced;

II. Existing Conditions

- utility industry as the power to produce goods and services is consumed; and,
 - other such industries.
- **Induced effects** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with Giants Stadium and its tenants. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.
- **Personal earnings** represent the wages and salaries earned by employees of businesses involved with Giants Stadium, the New York Giants and the New York Jets.
- **Employment** is expressed in terms of person years of employment and is based on project spending. Person years are defined as one year of employment, or 2,080 annual hours, and may be full- or part-time.

For purposes of this analysis, the impacts reported herein have been adjusted downward from gross potential impacts to impacts that are estimated to occur only within the State of New Jersey. For example, certain expenditures are estimated to occur outside the State such as NFL league assessments, NFL revenue sharing and goods and services that are provided from out-of-state sources.

It is important to note that the impacts presented in this report do not specifically account for any potential displacement. With the operations of any public assembly facility, the phenomena of “displacement” will take place to some extent. Specifically, this refers to the fact that some portion of the spending generated by the facilities or tenants may have otherwise taken place on some other entertainment activity in the State of New Jersey if the stadium and training facilities were not built or the Jets and Giants were to relocate to another market. While this displacement of spending may take place to some extent, it is important to note that:

- Entertainment spending that may take place without the existence of the facilities or tenants may occur outside the State of New Jersey such as at facilities in New York or Pennsylvania.
- Spending taking place on other items, instead of facility- or tenant-related spending may be on goods and services taxed at a lower rate.

II. Existing Conditions

- A significant portion of professional major event and sports franchise revenues are generated from national sources, such as television broadcast rights, visiting team ticket revenue, league merchandise agreements, league sponsorships and other league revenues, all of which are directly related to the presence of the teams and would not occur without their presence.

The estimated economic and fiscal impacts are presented for a single, average year of operation and a cumulative 30 years of operations. All impacts are statewide estimates for the State of New Jersey and are presented in millions of 2010 dollars, unless otherwise stated. The existing ongoing operations impacts are presented in 2010 dollars as a means to compare to impacts generated by the Stadium Project, which is assumed to be completed in 2010.

Impacts associated with the Meadowlands Xanadu Redevelopment Project have not been accounted for in the projected impacts from current facility operations or the new Stadium Project, as the Xanadu development is a separate and distinct development project.

Table II-13 presents a summary of the existing impacts that current operation of Giants Stadium, the New York Giants, and the New York Jets are estimated to have on the State of New Jersey.

Table II-13 Summary of Economic and Fiscal Impacts to New Jersey Due to Current Operation of Giants Stadium and Training Facilities \$ Millions			
	<u>Annual ⁽¹⁾</u>	<u>30-Year Cumulative</u>	<u>30-Year Net Present Value ⁽¹⁾</u>
Economic Impacts:			
Direct Spending	\$276.3	\$13,146.4	\$5,318.3
Total Output	\$526.7	\$25,060.2	\$10,137.9
Personal Earnings	\$291.8	\$13,884.7	\$5,617.0
Jobs - (FT & PT)	6,910	6,910	6,910
Fiscal Impacts:			
Sales Tax	\$11.0	\$521.6	\$211.0
Personal Income Tax	9.2	\$435.9	\$176.4
Corporate Income Tax	5.3	\$254.4	\$102.9
Ticket Tax	7.5	\$357.7	\$220.2
Lease Payment	0.0	\$0.0	\$0.0
Special Fee	0.9	\$27.5	\$12.6
Hotel Tax	0.3	\$16.2	\$6.6
Total Revenues	\$34.2	\$1,613.3	\$729.6
(1) 2010 dollars.			
Note: Net present value impacts assume a 6 percent discount rate.			

II. Existing Conditions

Annual economic impacts generated to the State of New Jersey associated with the current operation of Giants Stadium, the New York Giants and the New York Jets includes \$276.3 million in direct spending, \$526.7 million in total output (total direct, indirect and induced spending effects), \$291.8 million in personal earnings and 6,910 full and part-time jobs associated with spending effects. Total annual fiscal impacts are estimated to be approximately \$34.2 million.

The 30-year cumulative impacts from the current operation of Giants Stadium and its tenants on the State of New Jersey from 2010 to 2039 are estimated to include \$13.1 billion in direct spending, \$25.1 billion in total output, \$13.9 billion in personal earnings and 6,910 full and part-time jobs. Annual fiscal impacts are estimated to be approximately \$1.6 billion.

The present value of the 30-year impacts include \$5.3 billion in direct spending, \$10.1 billion in total output, \$5.6 billion in personal earnings and 6,910 full and part-time jobs associated with spending effects. Annual fiscal impacts are estimated to be approximately \$729.6 million.

These impacts serve as the basis in determining the incremental impact associated with the New Meadowlands Stadium and training facilities.

III. Incremental Impacts – Stadium Project

Potential economic and fiscal impacts resulting from the construction and operation of the Stadium Project that includes the new stadium, and Giants and Jets training facilities have been estimated based on an analysis by CSL. Economic impacts associated with the future ancillary development (520,000 gross leaseable area square feet of ancillary retail, dining and entertainment space) are discussed in Section IV.

Since the Stadium Project is a replacement project for the stadium and on-site training facilities, not all impacts to New Jersey will be new. The analysis contained herein provides an estimate of the incremental impacts associated with the construction and operations of the Stadium Project.

Overview

The Stadium Project is a means for ensuring extensions to the Giants' and Jets' leases and retaining the teams' presence at the Meadowlands. Key findings related to the incremental impact estimated to be generated to New Jersey from the Stadium Project is summarized in Table III-1.

Table III-1 Summary of Incremental Economic and Fiscal Impacts to New Jersey \$ Millions in (2010 Dollars)				
	Stadium	Giants Training Complex	Jets Training Complex	Total
During Construction:				
Spending ⁽¹⁾	\$1,116.7	\$71.1	\$50.8	\$1,238.6
Jobs ⁽²⁾	11,000	700	500	12,200
Taxes	\$58.3	\$3.7	\$2.7	\$64.7
During Operations:				
<u>Annual</u>				
Spending ⁽¹⁾	\$304.4	\$7.6	\$99.6	\$411.5
Jobs ⁽²⁾	4,050	110	1,380	5,540
Taxes	\$17.2	\$4.7	\$10.3	\$32.3
<u>Cumulative Over 30 Years</u>				
Spending ⁽¹⁾	\$17,034.0	\$361.1	\$4,736.2	\$22,131.3
Jobs ⁽²⁾	4,050	110	1,380	5,540
Taxes	\$1,202.5	\$225.2	\$491.6	\$1,919.2
⁽¹⁾ Direct, indirect and induced spending. ⁽²⁾ Includes both full and part-time jobs.				

III. Incremental Impacts – Stadium Project

Utilizing the methodology outlined in Section II, the Stadium Project is estimated to have the following incremental benefits to New Jersey, in 2010 dollars:

- During construction, the Stadium Project will generate \$1.2 billion in direct, indirect and induced spending in New Jersey. Construction expenditures and associated economic impacts are estimated to support an additional 12,200 full and part-time jobs during the construction period, and generate \$64.7 million in tax revenues to the State.
- During annual operations, the Stadium Project will generate \$411.5 million annually in incremental new direct, indirect and induced spending in the State. Facility operations and associated economic impacts are estimated to support 5,540 new full and part-time jobs and generate \$32.3 million in tax revenues to the State each year.
- Over 30 years, the operations of the Stadium Project are estimated to generate \$22.1 billion in cumulative direct, indirect and induced spending in the State. Operations and associated economic impacts are estimated to support 5,540 full and part-time jobs and create \$1.9 billion in State tax revenues.

The remainder of this section presents the detailed results of the incremental construction and operations impact estimates associated with the Stadium Project.

Population

The Stadium Project does not involve residential land uses and will therefore not result in direct impacts on the local residential populations or demographic conditions. However, it is likely that the population within the region will increase to some extent as a result of new employment and spending opportunities to be created by the project.

Construction Economic and Fiscal Impacts: New Stadium and Training Facilities

Construction expenditures (i.e. buildings, tangible personal property, professional/legal fees all related to project development) and related economic impacts constitute large, one-time impacts to the economy. In total, the Stadium Project is estimated to cost approximately \$1.2 billion, excluding the planned Ancillary Development. It is anticipated that the Stadium Project construction expenditures will occur over the next several years with completion expected in 2010.

III. Incremental Impacts – Stadium Project

<u>Stadium Project Component</u>	<u>Estimated Project Costs</u>
Stadium	\$1,100,000,000
Giants Training Facility	70,000,000
Jets Training Facility	<u>50,000,000</u>
Total Estimated Project Costs	<u>\$1,220,000,000</u>

In estimating construction impacts, it was assumed that materials will comprise 55 percent of project costs and labor will comprise 45 percent of project costs. Further, it was estimated that 50 percent of materials and labor would be spent in New Jersey. These assumptions are based on extensive conversations with construction companies familiar with stadium construction.

Table III-2 summarizes the estimated cumulative construction impacts to New Jersey associated with the Stadium Project in 2010 dollars.

Table III-2 Summary of Economic and Fiscal Impacts to New Jersey From <u>Construction</u> of New Meadowlands Stadium and Training Complex \$ Millions				
	Stadium	Giants Training Complex	Jets Training Complex	Total
Economic Impacts - 2010 Dollars				
Direct Spending	\$550.0	\$35.0	\$25.0	\$610.0
Total Output	\$1,116.7	\$71.1	\$50.8	\$1,238.6
Personal Earnings	\$526.4	\$33.5	\$23.9	\$583.8
Jobs - (FT & PT)	11,000	700	500	12,200
Fiscal Impacts - 2010 Dollars				
Sales Tax	\$26.6	\$1.7	\$1.2	\$29.5
Personal Income Tax	\$31.7	\$2.0	\$1.4	\$35.1
Total Tax Revenues	\$58.3	\$3.7	\$2.7	\$64.7

Of the estimated \$1.2 billion in construction expenditures, approximately 50 percent, or \$610.0 million is estimated to occur within New Jersey. As a result, the one-time economic and fiscal impacts estimated to be generated in New Jersey by the construction of the Stadium Project include \$1.2 billion in total output, \$583.8 million in personal earnings and 12,200 full- and part-time construction-related jobs and jobs generated by direct, indirect and induced spending associated with the project.

III. Incremental Impacts – Stadium Project

Construction expenditures will also create tax revenues to the State of New Jersey. It is estimated that the construction of the Stadium Project will generate approximately \$64.7 million in direct, indirect and induced sales and personal income tax revenues to New Jersey. Additional state and local taxes may be generated but have not been quantified in this analysis.

Operational Economic and Fiscal Impacts

The ongoing operations of the Stadium Project represent a source of recurring beneficial impacts to the State. The ongoing economic impacts of the Stadium Project were estimated based on information provided by the New York Giants and New York Jets regarding their projected operations in a new stadium, the NJSEA, industry trends and averages, and CSL's knowledge of the sports, entertainment and leisure industries.

Key assumptions used in the analysis include, but are not limited to:

Stadium Capacity:		
General Seating		68,000
Private Suites		5,500
Club Seats		9,000
	Total	<u>82,500</u>
Stadium Events		37
Stadium Attendance		2,077,700

In the interests of presenting a conservative analysis, potential revenue associated with Superbowl games has been excluded from the analysis.

Table III-3 summarizes the estimated annual operating impacts associated with the Stadium Project, including a comparison of these impacts to the impacts that are estimated to be generated by the current Giants Stadium and current Giants training facilities in 2010 dollars.

III. Incremental Impacts – Stadium Project

Table III-3 Summary of <u>Annual</u> Economic Impacts to New Jersey From <u>Operations</u> of New Meadowlands Stadium and Training Complex \$ Millions (2010 Dollars)				
	Annual Impacts (\$ Millions)			Total
	Stadium	Giants Training Complex ⁽¹⁾	Jets Training Complex	
Total Stadium Project Impacts:				
Direct Spending	\$363.7	\$63.5	\$63.5	\$490.7
Total Output	\$692.8	\$122.8	\$122.8	\$938.3
Personal Earnings	\$391.0	\$74.6	\$74.6	\$540.2
Jobs - (FT & PT)	9,050	1,700	1,700	12,450
Less Existing Impacts from Current Operations:				
Direct Spending	\$204.8	\$59.6	\$12.0	\$276.3
Total Output	\$388.4	\$115.2	\$23.2	\$526.7
Personal Earnings	\$207.7	\$70.0	\$14.1	\$291.8
Jobs - (FT & PT)	5,000	1,590	320	6,910
Incremental Impacts of Stadium Project:				
Direct Spending	\$158.9	\$3.9	\$51.5	\$214.3
Total Output	\$304.4	\$7.6	\$99.6	\$411.5
Personal Earnings	\$183.2	\$4.6	\$60.5	\$248.3
Jobs - (FT & PT)	4,050	110	1,380	5,540
(1) Giants existing training facility is part of Giants Stadium.				

Total gross annual direct spending associated with the Stadium Project is estimated to be approximately \$1 billion annually in 2010 dollars. Of this amount, \$490.7 million, or about 50 percent, of gross annual direct spending is estimated to be net new spending occurring within the State. The remaining spending is anticipated to occur outside the state (NFL league assessment, NFL revenue sharing, etc.).

While the Stadium Project is anticipated to generate \$490.7 million in net new annual direct spending, the existing Giants Stadium and training facilities are estimated to generate \$276.3 million in direct spending based on historical operations, projected in 2010 dollars. As a result, the *incremental* direct spending associated with the Stadium project is estimated to be \$214.3 million, representing a 78 percent increase in spending impacts over current impacts (in 2010 dollars). At this level, the incremental spending impacts associated with the Stadium Project generate \$411.5 million in total output (total of direct, indirect and induced spending effects), \$248.3 million in personal earnings and

III. Incremental Impacts – Stadium Project

5,540 full and part-time jobs associated with the operation of the facility and its economic impacts.

Table III-4 summarizes the estimated net new annual fiscal impacts associated with the Stadium Project operations, including a comparison of these tax impacts to the tax impacts that are estimated to be generated by the current Giants Stadium and current Giants training facilities in 2010 dollars.

Table III-4				
Summary of <u>Annual</u> Fiscal and Other Revenue Impacts to New Jersey From <u>Operations</u> of New Meadowlands Stadium and Training Complex				
\$ Millions				
	Annual Impacts (\$ Millions)			
	Stadium	Giants Training Complex ⁽¹⁾	Jets Training Complex	Total
Total Stadium Project Impacts:				
Sales Tax	\$14.9	\$1.1	\$1.1	\$17.0
Personal Income Tax	6.0	9.5	9.5	\$24.9
Corporate Income Tax	3.7	0.0	0.0	\$3.7
Ticket Tax	14.4	0.0	0.0	\$14.4
Lease Payment	5.0	0.0	0.0	\$5.0
Special Fee	1.0	0.0	0.0	\$1.0
Hotel Tax	0.4	0.0	0.0	\$0.4
Total Revenues	\$45.5	\$10.5	\$10.5	\$66.5
Less Existing Impacts from Current Operations:				
Sales Tax	\$9.8	\$1.0	\$0.2	\$11.0
Personal Income Tax	4.3	4.8	0.0	\$9.2
Corporate Income Tax	5.3	0.0	0.0	\$5.3
Ticket Tax	7.5	0.0	0.0	\$7.5
Lease Payment	0.0	0.0	0.0	\$0.0
Special Fee	0.9	0.0	0.0	\$0.9
Hotel Tax	0.3	0.0	0.0	\$0.3
Total Revenues	\$28.3	\$5.8	\$0.2	\$34.2
Incremental Impacts of Stadium Project:				
Sales Tax	\$5.1	\$0.1	\$0.9	\$6.1
Personal Income Tax	\$1.7	\$4.6	\$9.5	\$15.7
Corporate Income Tax	-\$1.6	\$0.0	\$0.0	-\$1.6
Ticket Tax	\$6.9	\$0.0	\$0.0	\$6.9
Lease Payment	\$5.0	\$0.0	\$0.0	\$5.0
Special Fee	\$0.1	\$0.0	\$0.0	\$0.1
Hotel Tax	\$0.1	\$0.0	\$0.0	\$0.1
Total Revenues	\$17.2	\$4.7	\$10.3	\$32.3

(1) Giants existing training facility is part of Giants Stadium.

III. Incremental Impacts – Stadium Project

As depicted in Table III-4, the Stadium Project and associated direct, indirect and induced economic impacts are estimated to generate approximately \$66.5 million in tax revenues annually with the majority of these impacts derived from sales, personal income and ticket taxes. Existing tax revenues generated by Giants Stadium and the Giants training facility and associated economic impacts are estimated at approximately \$34.2 million. As a result, the *incremental* tax revenue associated with the Stadium project is estimated to be \$32.3 million, representing an estimated 94 percent increase in tax revenues generated to the State.

30-Year Cumulative Impacts

The economic and fiscal impacts of the Stadium Project were estimated over a 30-year period, the typical life of a stadium and related facilities. Table III-5 summarizes the estimated annual operating impacts associated with the Stadium Project over a 30-year period, including a comparison of these impacts to the impacts that are estimated to be generated by the current Giants Stadium and current Giants training facility.

Table III-5 Summary of Cumulative Economic Impacts to New Jersey From Operations of New Meadowlands Stadium and Training Complex \$ Millions in (2010 Dollars)				
30-Year Cumulative Impacts - 2010 to 2039 (\$ Millions)				
	Stadium	Giants Training Complex (1)	Jets Training Complex	Total
Total Stadium Project Impacts:				
Direct Spending	\$18,622.8	\$3,019.8	\$3,019.8	\$24,662.5
Total Output	\$35,510.9	\$5,840.3	\$5,840.3	\$47,191.4
Personal Earnings	\$20,150.3	\$3,550.1	\$3,550.1	\$27,250.5
Jobs - (FT & PT)	9,050	1,700	1,700	12,450
Less Existing Impacts from Current Operations:				
Direct Spending	\$9,742.4	\$2,833.1	\$570.9	\$13,146.4
Total Output	\$18,476.9	\$5,479.1	\$1,104.1	\$25,060.2
Personal Earnings	\$9,883.0	\$3,330.6	\$671.2	\$13,884.7
Jobs - (FT & PT)	5,000	1,590	320	6,910
Incremental Impacts of Stadium Project:				
Direct Spending	\$8,880.4	\$186.7	\$2,448.9	\$11,516.1
Total Output	\$17,034.0	\$361.1	\$4,736.2	\$22,131.3
Personal Earnings	\$10,267.3	\$219.5	\$2,879.0	\$13,365.8
Jobs - (FT & PT)	4,050	110	1,380	5,540
(1) Giants existing training facility is part of Giants Stadium.				

III. Incremental Impacts – Stadium Project

The total cumulative gross annual direct spending associated with the Stadium Project over 30 years is estimated to be approximately \$47.4 billion. Of this amount, \$24.7 billion of gross annual direct spending is estimated to be net new spending occurring within the State.

In comparison, the existing Giants Stadium and Giants training facility is estimated to generate \$13.1 billion in net new direct spending over 30 years. As a result, the *incremental* direct spending associated with the Stadium Project is estimated to total \$11.5 billion over 30 years, representing a 88 percent increase in spending impacts over current impacts.

The incremental spending impacts associated with the Stadium Project generate \$22.1 billion in total output, \$13.4 billion in personal earnings and 5,540 full and part-time jobs throughout the economy.

Table III-6 on the following page depicts the estimated net new fiscal impacts associated with the Stadium Project operations over a 30-year period, including a comparison of these tax impacts to the tax impacts that are estimated to be generated by the current Giants Stadium and current Giants training facilities.

As depicted in Table III-6, the Stadium Project is estimated to generate approximately \$3.5 billion in tax revenues over 30-years with the majority of these impacts derived from sales, personal income, corporate income, and ticket taxes. Existing net new tax revenues generated by Giants Stadium and the Giants training facility is estimated to approximate \$1.6 billion over 30 years. As a result, the cumulative *incremental* tax revenue associated with the Stadium project is estimated to be \$1.9 billion, representing an estimated 119 percent increase in tax revenues generated to the State over 30 years.

III. Incremental Impacts – Stadium Project

Table III-6 Summary of <u>Cumulative</u> Fiscal and Other Revenue Impacts to New Jersey From <u>Operations</u> of New Meadowlands Stadium and Training Complex \$ Millions				
30-Year Cumulative Impacts - 2010 to 2039 (\$ Millions)				
	Stadium	Giants Training Complex ⁽¹⁾	Jets Training Complex	Total
Total Stadium Project Impacts:				
Sales Tax	\$729.9	\$51.2	\$51.2	\$832.3
Personal Income Tax	285.3	449.8	449.8	\$1,185.0
Corporate Income Tax	629.3	0.0	0.0	\$629.3
Ticket Tax	686.2	0.0	0.0	\$686.2
Lease Payment	150.0	0.0	0.0	\$150.0
Special Fee	31.2	0.0	0.0	\$31.2
Hotel Tax	18.6	0.0	0.0	\$18.6
Total Revenues	\$2,530.6	\$501.0	\$501.0	\$3,532.6
Less Existing Impacts from Current Operations:				
Sales Tax	\$465.5	\$46.7	\$9.4	\$521.6
Personal Income Tax	206.8	229.2	0.0	\$435.9
Corporate Income Tax	254.4	0.0	0.0	\$254.4
Ticket Tax	357.7	0.0	0.0	\$357.7
Lease Payment	0.0	0.0	0.0	\$0.0
Special Fee	27.5	0.0	0.0	\$27.5
Hotel Tax	16.2	0.0	0.0	\$16.2
Total Revenues	\$1,328.1	\$275.8	\$9.4	\$1,613.3
Incremental Impacts of Stadium Project:				
Sales Tax	\$264.4	\$4.5	\$41.8	\$310.7
Personal Income Tax	\$78.5	\$220.7	\$449.8	\$749.0
Corporate Income Tax	\$374.9	\$0.0	\$0.0	\$374.9
Ticket Tax	\$328.5	\$0.0	\$0.0	\$328.5
Lease Payment	\$150.0	\$0.0	\$0.0	\$150.0
Special Fee	\$3.7	\$0.0	\$0.0	\$3.7
Hotel Tax	\$2.5	\$0.0	\$0.0	\$2.5
Total Revenues	\$1,202.5	\$225.2	\$491.6	\$1,919.2
(1) Giants existing training facility is part of Giants Stadium.				

Net Present Value of 30-Year Impacts – 2010 Dollars

The net present value (“NPV”) of economic and fiscal impacts was also estimated for the Stadium Project. For purposes of this analysis, the NPV of economic and fiscal impacts represents the cumulative value of impacts from 2010 to 2039 discounted to 2010 dollars.

III. Incremental Impacts – Stadium Project

Table III-7 presents the estimated 30-year NPV associated with the Stadium Project, including a comparison of these impacts to the impacts that are estimated to be generated by the current Giants Stadium and current Giants training facility.

Table III-7 Summary of 30-Year NPV of Economic Impacts to New Jersey From Operations of New Meadowlands Stadium and Training Complex \$ Millions in (2010 Dollars)				
	NPV of 30-Year Cumulative Impacts (\$ Millions)			
	Stadium	Giants Training Complex ⁽¹⁾	Jets Training Complex	Total
Total Stadium Project Impacts:				
Direct Spending	\$7,390.0	\$1,221.7	\$1,221.7	\$9,833.3
Total Output	\$14,087.7	\$2,362.6	\$2,362.6	\$18,813.0
Personal Earnings	\$7,982.7	\$1,436.2	\$1,436.2	\$10,855.1
Jobs - (FT & PT)	9,050	1,700	1,700	12,450
Less Existing Impacts from Current Operations:				
Direct Spending	\$3,941.2	\$1,146.1	\$231.0	\$5,318.3
Total Output	\$7,474.7	\$2,216.5	\$446.7	\$10,137.9
Personal Earnings	\$3,998.1	\$1,347.4	\$271.5	\$5,617.0
Jobs - (FT & PT)	5,000	1,590	320	6,910
Incremental Impacts of Stadium Project:				
Direct Spending	\$3,448.8	\$75.5	\$990.7	\$4,515.1
Total Output	\$6,613.0	\$146.1	\$1,916.0	\$8,675.1
Personal Earnings	\$3,984.6	\$88.8	\$1,164.7	\$5,238.1
Jobs - (FT & PT)	4,050	110	1,380	5,540
(1) Giants existing training facility is part of Giants Stadium.				
Note: Net present value impacts assume a 6 percent discount rate.				

The gross NPV of annual direct spending associated with the Stadium Project is estimated to be approximately \$19.2 billion annually in 2010 dollars. Of this amount, \$9.8 million, or about 51 percent, of the NPV of the direct spending is estimated to be net new spending occurring within the State. Given the estimated NPV of direct spending impacts for Giants Stadium and the Giants training facility of approximately \$5.3 billion, the NPV of *incremental* new net direct spending associated with the Stadium project is estimated to be \$4.5 billion in 2010 dollars. This represents an 85 percent increase in spending impacts over current impacts.

The incremental spending impacts associated with the Stadium Project generate \$8.7 billion in total output, \$5.2 billion in personal earnings and 5,540 full and part-time jobs.

III. Incremental Impacts – Stadium Project

Table III-8 summarizes the estimated NPV of direct, indirect and induced fiscal impacts associated with the Stadium Project operations, including a comparison of these tax impacts to the tax impacts that are estimated to be generated by the current Giants Stadium and current Giants training facilities in 2010 dollars.

Table III-8 Summary of 30-Year NPV of Fiscal and Other Revenue Impacts to New Jersey From Operations of New Meadowlands Stadium and Training Complex \$ Millions				
	NPV of 30-Year Cumulative Impacts (\$ Millions)			
	Stadium	Giants Training Complex ⁽¹⁾	Jets Training Complex	Total
Total Stadium Project Impacts:				
Sales Tax	\$292.9	\$20.7	\$20.7	\$334.3
Personal Income Tax	115.4	182.0	182.0	\$479.4
Corporate Income Tax	202.8	0.0	0.0	\$202.8
Ticket Tax	277.6	0.0	0.0	\$277.6
Lease Payment	68.8	0.0	0.0	\$68.8
Special Fee	14.3	0.0	0.0	\$14.3
Hotel Tax	7.5	0.0	0.0	\$7.5
Total Revenues	\$979.4	\$202.7	\$202.7	\$1,384.7
Less Existing Impacts from Current Operations:				
Sales Tax	\$188.3	\$18.9	\$3.8	\$211.0
Personal Income Tax	83.7	92.7	0.0	\$176.4
Corporate Income Tax	102.9	0.0	0.0	\$102.9
Ticket Tax	220.2	0.0	0.0	\$220.2
Lease Payment	0.0	0.0	0.0	\$0.0
Special Fee	12.6	0.0	0.0	\$12.6
Hotel Tax	6.6	0.0	0.0	\$6.6
Total Revenues	\$614.2	\$111.6	\$3.8	\$729.6
Incremental Impacts of Stadium Project:				
Sales Tax	\$104.6	\$1.8	\$16.9	\$123.3
Personal Income Tax	\$31.8	\$89.3	\$182.0	\$303.0
Corporate Income Tax	\$99.8	\$0.0	\$0.0	\$99.8
Ticket Tax	\$57.4	\$0.0	\$0.0	\$57.4
Lease Payment	\$68.8	\$0.0	\$0.0	\$68.8
Special Fee	\$1.7	\$0.0	\$0.0	\$1.7
Hotel Tax	\$1.0	\$0.0	\$0.0	\$1.0
Total Revenues	\$365.1	\$91.1	\$198.9	\$655.1
Note: Net present value impacts assume a 6 percent discount rate.				

III. Incremental Impacts – Stadium Project

As depicted in Exhibit III-8, the Stadium Project is estimated to generate an NPV of approximately \$1.4 billion in tax revenues to the State of New Jersey over 30 years. The NPV of existing tax revenues generated by Giants Stadium and the Giants training facility is estimated to approximate \$729.6 million, resulting in *incremental* new net tax revenue of approximately \$655.1 billion. This represents a 90 percent increase in *incremental* new tax revenues expected to be generated to the State from the Stadium project.

IV. Incremental Impacts – Ancillary Development

The future Ancillary Development component of the Stadium Project was studied separately. The ground lease and related project documents will set forth the terms for construction and operation of the Stadium Project, including that the Meadowlands Xanadu Developer's occurrence shall be a condition to the proposed ancillary development (including, without limitation, retail stores and restaurants), to the extent such concurrence is required by the terms of existing agreements between the NJSEA and the Meadowlands Xanadu Developer.

At full build-out, comprising 520,000 square feet of retail, dining and entertainment establishments, the Ancillary Development is estimated to have the following incremental benefits to New Jersey, in 2010 dollars.

- During construction, the Ancillary Development (at full-build out) will generate \$507.6 million in direct, indirect and induced spending in New Jersey. Construction expenditure and associated economic impacts are estimated to support 5,000 full and part-time jobs during the construction period and generate \$26.5 million in tax revenues to the State.
- During annual operations, the Ancillary Development will generate \$372.9 million annually in incremental direct, indirect and induced spending in the State. Facility operations and associated economic impacts are estimated to support 4,840 new full and part-time jobs and generate \$28.9 million in tax revenues to the State each year.
- Over 30 years, the operation of the Ancillary Development is estimated to generate \$17.7 billion in cumulative direct, indirect and induced spending in the State. Facility operations and associated economic impacts are estimated to support 4,840 full and part-time jobs and create \$1.4 billion in tax revenues.

Again, the impacts presented in this report do not specifically account for any potential displacement of spending that may have otherwise taken place on some other entertainment activity in the State of New Jersey if the Ancillary Development was not built.

Construction Economic and Fiscal Impacts

The development of Ancillary components is expected to occur sometime after the opening of the stadium in 2010; a schedule for construction commencement and build-out has yet to be determined. At full build-out, the Ancillary Development is expected to comprise a total of 520,000 square feet of retail, dining and entertainment establishments, at a total cost of approximately \$500 million. Expenses associated with the development

IV. Incremental Impacts – Ancillary Development

of these components would be the responsibility of private sector entities. For purposes of this report and ease of comparison, the Ancillary Development cost estimates are presented in 2010 dollars despite the fact that the development will most likely occur at a later time. Furthermore, the analysis assumes a three-year absorption period for sale of the Ancillary space, with full lease up by 2013.

In estimating construction impacts, it was assumed that materials will comprise 55 percent of project costs and labor will comprise 45 percent of project costs. Further, it was estimated that 50 percent of materials and labor would be spent in New Jersey.

Table IV-1 summarizes the estimated cumulative construction impacts to New Jersey associated with the Ancillary Development in 2010 dollars.

Table IV-1 Summary of Economic and Fiscal Impacts to New Jersey From <u>Construction</u> of Stadium Project Ancillary Development \$ Millions	
	<u>Ancillary Development</u>
Economic Impacts - 2010 Dollars	
Direct Spending	\$250.0
Total Output	\$507.6
Personal Earnings	\$239.3
Jobs - (FT & PT)	5,000
Fiscal Impacts - 2010 Dollars	
Sales Tax	\$12.1
Personal Income Tax	\$14.4
Total Tax Revenues	\$26.5

Of the estimated \$500 million in construction expenditures, approximately 50 percent, or \$250 million is estimated to occur within New Jersey. As a result, the one-time economic and fiscal impacts estimated to be generated in New Jersey by the construction of the Ancillary Development include \$507.6 million in total output, \$239.3 million in personal earnings, and 5,000 full- and part-time jobs in both construction-related services and occupations associated with general spending generated during the construction period.

Ancillary Development construction expenditures will also create tax revenues to the State of New Jersey. The construction of the Ancillary Development is estimated to generate approximately \$26.5 million in direct, indirect and induced sales and personal income tax revenues to New Jersey. Additional state and local taxes may be generated but have not been quantified in this analysis.

IV. Incremental Impacts – Ancillary Development

Operational Economic and Fiscal Impacts

The ongoing operations of the Ancillary Development represent a beneficial source of recurring impacts to the State. The ongoing economic impacts of the Ancillary Development were estimated based on information provided by the New York Giants and New York Jets, industry research and averages, and CSL's knowledge of the retail, dining and entertainment industries. Although the mix of retail types will ultimately be determined by a variety of factors including contemporary market conditions, the intent is to create destination retail consisting of a mix of retail, dining, and entertainment of approximately 520,000 square feet. A weighted average rent of approximately \$390 per square foot is assumed.

The Ancillary Development will likely be subject to PILOT agreements, as outlined in Section II, contributing towards municipal costs for police, fire, hospital and emergency services.

Table IV-2 summarizes the estimated operating impacts associated with the Ancillary Development.

Table IV-2 Summary of Economic Impacts to New Jersey From <u>Operations</u> of Ancillary Development \$ Millions in (2010 Dollars)			
	Annual	30-Year Cumulative	30-Year Net Present Value
Direct Spending	\$202.2	\$9,618.6	\$3,891.1
Total Output	\$372.9	\$17,740.3	\$7,176.7
Personal Earnings	\$155.2	\$7,385.1	\$2,987.6
Jobs - (FT & PT)	4,840	4,840	4,840
Note: Net present value impacts assume a 6 percent discount rate.			

As depicted above, the annual economic impacts estimated to be associated with the Ancillary Development include \$202.2 million in direct spending, \$372.9 million in total output, \$155.2 million in personal earnings and 4,840 full and part-time jobs.

Over a 30-year period, the cumulative impacts of the Ancillary Development are estimated to include \$9.6 billion in direct spending, \$17.7 billion in total output, \$7.4 billion in personal earnings and 4,840 full and part-time jobs from operations and associated economic impacts.

IV. Incremental Impacts – Ancillary Development

The present value of the estimated 30-year impacts in 2010 dollars include \$3.9 billion in direct spending, \$7.2 billion in total output, \$3.0 billion in personal earnings and 4,840 full and part-time jobs in the economy.

Table IV-3 summarizes the estimated fiscal impacts estimated to be generated by the ongoing operations of the Ancillary Development.

Table IV-3 Summary of Fiscal Impacts to New Jersey From <u>Operations</u> of Ancillary Development \$ Millions			
	Annual	30-Year Cumulative	30-Year Net Present Value
Sales Tax	\$17.2	\$816.5	\$330.3
Personal Income Tax	9.9	470.4	190.3
Corporate Income Tax	1.9	89.0	36.0
Total Revenues	\$28.9	\$1,376.0	\$556.6
Note: Net present value impacts assume a 6 percent discount rate.			

As depicted in Table IV-3, the fiscal impacts associated with the Ancillary Development is estimated to be \$28.9 million annually and \$1.4 billion cumulatively over 30 years, or approximately \$556.6 million over 30 years on a net present value basis.

V. Impacts on Community Facilities

The construction and on-going operations of the Stadium project will impact community facilities in a variety of ways. This section of the report presents an overview of the expected impacts, if any, on various community facilities including public services, police, fire, emergency medical services, and schools.

Public Services

A Public Safety Standard Operations Plan has been developed for the New Meadowlands Stadium and the Ancillary Development (NM Stadco, 2006). This plan was completed by a committee of representatives from local stakeholders including representatives of NM Stadco, the NJSEA, the NFL, the Meadowlands Xanadu project, the NJSP, New Jersey Office of Counter Terrorism, the New Jersey State Turnpike Authority, the Federal Bureau of Investigation, the Department of Homeland Security, the United States Secret Service, and various county and municipal representatives.

The Public Safety Standard Operations Plan outlines the agreement reached for public services that would be provided for the Project Area. Detailed below are the various terms for police, fire, and emergency medical services that have been agreed upon to service the needs of the Project Area (NM Stadco, 2006).

Police

The New Jersey State Police main office at the Meadowlands Sports Complex during non-event days is located within the Meadowlands Racetrack. They will also establish and maintain an office within the New Meadowlands Stadium for game day event support. They will deploy a sufficient amount of troopers and supervisors to the Project Area during event and non-event days to maintain security.

The ERPD is headquartered in East Rutherford and will be establishing a substation at the Meadowlands Xanadu site. The ERPD will provide officers to the Project Area as requested by the NJSP.

The Bergen County Police Department will coordinate all requests for assistance from the NJSP by activating the county-wide Rapid Deployment Force, which can supply up to 150 additional officers, as well as a response by HazMat Teams, Bomb Squads, canine units, SWAT Teams, and mounted units.

V. Impacts on Community Facilities

NM Stadco will also deploy an adequate number of security personnel to patrol the Project Area on a daily basis throughout the entire year.

Fire

The NJSEA Fire Department will continue to service the entire Project Area from its current fire station location on the Meadowlands Sports Complex. The East Rutherford Volunteer Fire Department (ERVFD) will continue to provide support services to the Project Area, as needed from its three fire stations.

Emergency Medical Services

Emergency Medical Services for the Project Area will continue to be provided by the NJSEA Medical Department and EMS personnel for day-to-day operations and events. An NM Stadco Security Group will be responsible for the day-to-day patrolling of the lease areas within the Project Area. Basic first-aid kits and automated external defibrillator (AED) units will be located in all security vehicles and security stations.

The Security Group will be immediately dispatched to any reported sick or injured person within the lease area. After assessing the scene according to all applicable safety and security policies and procedures, the Security Group personnel shall notify the NJSEA Medical Department, NJSEA EMS, the East Rutherford EMS, and additional mutual aid EMS units, as necessary. The NJSP will also be dispatched to calls for EMS within the Project Area meeting specific requirements outlined within the Public Safety Standard Operations Plan.

Impacts

Given that the New Meadowlands Stadium Project is a replacement project, impacts to local, county and state police, fire, and emergency services are expected to be minimal. The New Meadowlands Stadium Project is not expected to generate significant new demands on these facilities that currently serve the HMD and Meadowlands Sports Complex. East Rutherford will continue to receive statutory authorized payments in lieu of taxes (PILOT) on land and improvements. The PILOT payments will be shared among the municipalities in the HMD in accordance with a formula administered by the New Jersey Meadowlands Commission. Given this statutory mechanism to provide a source of municipal revenues on property that is otherwise tax exempt, no mitigation is proposed or required.

V. Impacts on Community Facilities

Schools

The New Meadowlands Stadium Project is not proposing to directly introduce a residential population into the Project Area or surrounding region. As a result, the project will not result in significant increased school enrollment or the need for additional bus service. There may be some modest additional population increases in the surrounding residential areas due to the projected increase of 5,540 full- and part-time jobs, some fraction of which may be held by new residents of the surrounding communities.

Environmental Justice

Executive Order No. 96, signed on 18 February 2004, addresses environmental justice and directs state agencies to consider the health and environmental impacts of their decision-making on low income and minority communities. As documented in previous studies completed by the NJSEA, there are no low-income or minority populations located in close proximity to the Project Area (NJSEA, 2004; NJSEA, 2005). Therefore, there will be no impacts to such populations as a result of construction or operation of the Project.

VI. Sensitivity Analysis

The socioeconomic impacts of the Stadium Project and Ancillary Development will ultimately depend on a number of factors. The socioeconomic impact estimates presented in this report could vary significantly if the Stadium Project and/or Ancillary Development either exceed or fail to meet the assumptions on which the estimates are based.

To gain an understanding of the potential socioeconomic impacts associated with the Stadium and Ancillary Development that could result from fluctuations in key variables, a sensitivity analysis has been completed. The sensitivity analysis compares the key economic impact measurement criteria (direct spending, total output, jobs, earning and tax revenues) with the impacts that could result based on differing assumptions.

Player's Spending

Expenditures on players' salaries represent a significant source of potential socioeconomic impacts associated with the Stadium Project. For purposes of the economic impact analysis presented in this report, various adjustments were made to players' salaries to estimate the portion that would impact the State. A combination of adjustments including an estimate of the percentage of players that residents of the State, the percentage of income spent, and the percentage of player spending that occurs within the State resulting in an estimate of 37 percent of gross player salaries impacting the State. Table VI-1 summarizes the potential impacts to key economic impact measurement criteria based on changes in the estimated percentage of players' salaries impact the State economy.

Table VI-1
Players' Spending
Sensitivity Analysis
\$ Millions

Player Salary Percentage Estimated to be Spent in State - 37%					
Players' Spending Sensitivity Factor	Annual Impacts - 2010				
	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
1.50	\$530.3	\$1,015.0	13,500	\$586.8	\$67.3
1.25	\$510.9	\$977.4	12,980	\$564.0	\$66.9
1.00 *	\$490.7	\$938.3	12,440	\$540.2	\$66.5
0.75	\$469.7	\$897.7	11,880	\$515.5	\$65.1
0.50	\$451.2	\$862.0	11,380	\$493.8	\$64.7

* 1.00 Factor = Assumption used in report base analysis.

VI. Sensitivity Analysis

Construction Expenses Occurring in the State

A major assumption associated with the construction impacts presented in this report was that 50 percent of all construction related spending would occur on labor and materials provided from within the State. Table VI-2 summarizes the potential impacts to key economic impact measurement criteria based on varying assumptions related to the estimated percentage of construction spending occurring within the State.

Table VI-2
Construction Spending in State
Sensitivity Analysis
\$ Millions

Percentage of Construction Spending in State -		50%			
Stadium Project					
Construction Spending within State Sensitivity Factor	2010 Impacts				
	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
1.50	\$915.0	\$1,857.8	18,400	\$875.7	\$82.8
1.25	\$762.5	\$1,548.2	15,300	\$729.7	\$73.7
1.00 *	\$610.0	\$1,238.6	12,200	\$583.8	\$64.7
0.75	\$457.5	\$928.9	9,200	\$437.8	\$55.6
0.50	\$305.0	\$619.3	6,200	\$291.9	\$46.6
Ancillary Development					
Construction Spending within State Sensitivity Factor	2010 Impacts				
	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
1.50	\$375.0	\$761.4	7,500	\$358.9	\$33.9
1.25	\$312.5	\$634.5	6,300	\$299.1	\$30.2
1.00 *	\$250.0	\$507.6	5,000	\$239.3	\$26.5
0.75	\$187.5	\$380.7	3,800	\$179.4	\$22.8
0.50	\$125.0	\$253.8	2,500	\$119.6	\$19.1

* 1.00 Factor = Assumption used in report base analysis.

Note = Base assumption is 50 percent of construction spending occurs in the State.

Ancillary Development Component Mix and Sales Prices

Key assumptions used to estimate the socioeconomic impacts of the potential Ancillary Development including total square footage, the type and mix of development and the estimated annual sales per square footage. For purposes of the economic impact analysis presented in this report, it was assumed that 520,000 square feet of Ancillary Development would occur consisting of retail (52 percent), dining (24 percent) and entertainment (24 percent) components. Overall, the weighted average annual sales per square foot assumed in this report was approximately \$389.

VI. Sensitivity Analysis

Table VI-3 summarizes the potential impacts to key economic impact measurement criteria based on varying assumptions related to changes in the retail/dining/entertainment square footage allocation assumptions (assuming 520,000 total square feet of development) as well as changes to the weighted average annual sales per square foot.

Table VI-3
Ancillary Development
Sensitivity Analysis
\$ Millions

Retail / Dining / Entertainment Sq. Ft. Allocation:		52%/24%/24%			
Retail/Dining/ Entertainment Development Mix		Annual Impacts - 2010			
Sensitivity Factor	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
70%/15%/15%	\$202.4	\$371.1	4,890	\$157.9	\$29.1
60%/20%/20%	\$202.3	\$372.1	4,860	\$156.4	\$29.0
52%/24%/24%	\$202.2	\$372.9	4,840	\$155.2	\$28.9
40%/30%/30%	\$202.0	\$374.1	4,800	\$153.5	\$28.8
30%/35%/35%	\$201.9	\$375.0	4,770	\$152.0	\$28.8
Weighted Average Sales per Square Foot:		\$389			
Average Sales per Square Foot		Annual Impacts - 2010			
Sensitivity Factor	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
1.50	\$303.3	\$559.3	7,250	\$232.8	\$43.4
1.25	\$252.7	\$466.1	6,050	\$194.0	\$36.2
1.00	\$202.2	\$372.9	4,840	\$155.2	\$28.9
0.75	\$151.6	\$279.7	3,630	\$116.4	\$21.7
0.50	\$101.1	\$186.4	2,420	\$77.6	\$14.5

Note: a) Retail % / Entertainment% / Entertainment%

b) Based on total of 520,00 square feet of retail, dining and entertainment uses.

Ancillary Development Construction Schedule

For purposes of this report, it was assumed that all Ancillary Development construction would be completed in 2010, the same year as the Stadium Project. This assumption was made so that comparisons among the Stadium Project and the Ancillary Development could be made in like-year dollars. However, it is likely that the Ancillary Development will occur after the Stadium Project is complete and that construction would be phased over time. As a result, a sensitivity analysis was performed to assess the impact of varying the construction schedule for the Ancillary Development. Table VI-4 on the following page summarizes the results of this analysis.

VI. Sensitivity Analysis

Table VI-4
Ancillary Development Construction Schedule
Sensitivity Analysis
\$ Millions

Construction Schedule					2010 Full Build-Out			
Construction Schedule - % Complete					30-Year Cumulative Operating Impacts (2010 to 2040)			
2010	2011	2012	2013	2014	Direct Spending	Total Output	Earnings	Tax Revenues
100%	100%	100%	100%	100%	\$9,618.6	\$17,740.3	\$7,385.1	\$1,289.9
33%	67%	100%	100%	100%	\$9,414.4	\$17,363.7	\$7,228.3	\$1,262.6
25%	50%	75%	100%	100%	\$9,309.2	\$17,169.7	\$7,147.5	\$1,248.6
0%	0%	0%	50%	50%	\$8,883.2	\$16,384.0	\$6,820.5	\$1,191.6

Construction Schedule - % Complete					30-Year NPV of Operating Impacts (2010 to 2040)			
2010	2011	2012	2013	2014	Direct Spending	Total Output	Earnings	Tax Revenues
100%	100%	100%	100%	100%	\$3,891.1	\$7,176.7	\$2,987.6	\$556.6
33%	67%	100%	100%	100%	\$3,702.2	\$6,828.3	\$2,842.5	\$529.6
25%	50%	75%	100%	100%	\$3,610.4	\$6,658.9	\$2,772.0	\$516.5
0%	0%	0%	50%	50%	\$3,247.5	\$5,989.6	\$2,493.4	\$464.6

Stadium Spending Displacement

For purposes of this report, displaced spending was not taken into account. Displaced spending refers to spending that would have taken place in the economy in the absence of the Stadium Project. As an example, spending would be considered displaced and not new to the economy if a Stadium Project patron would have spent their money in another manner (i.e. movie tickets, retail shopping, etc.) within the local economy. Exhibit V-5 summarizes the potential variances of Stadium Project impacts based on various displacement spending assumptions.

Table VI-5
Displaced Spending - Stadium Project Impacts
Sensitivity Analysis
\$ Millions

Amount of Spending Assumed to be Displaced:					0%
Displaced Spending Factor	Annual Impacts - 2010				
	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
40%	\$294.4	\$563.0	7,460	\$324.1	\$39.9
30%	\$343.5	\$656.8	8,710	\$378.1	\$46.6
20%	\$392.5	\$750.6	9,950	\$432.2	\$53.2
0%	\$490.7	\$938.3	12,440	\$540.2	\$66.5

* 0% Factor = Assumption used in report base analysis - assumes no displaced spending.

VI. Sensitivity Analysis

Ancillary Development Spending Displacement

Exhibit V-6 summarizes the potential variances of Ancillary Development impacts based on various displacement spending assumptions.

Table VI-6
Displaced Spending - Ancillary Development Impacts
Sensitivity Analysis
\$ Millions

Amount of Spending Assumed to be Displaced: 0%					
Displaced Spending Factor	Annual Impacts - 2010				
	Direct Spending	Total Output	Jobs	Earnings	Tax Revenues
80%	\$40.4	\$74.6	968	\$31.0	\$5.8
70%	\$60.7	\$111.9	1,452	\$46.6	\$8.7
60%	\$80.9	\$149.2	1,936	\$62.1	\$11.6
50%	\$101.1	\$186.4	2,420	\$77.6	\$14.5
0%	\$202.2	\$372.9	4,840	\$155.2	\$28.9

* 0% Factor = Assumption used in report base analysis - assumes no displaced spending.

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